

84TH CONGRESS  
1ST SESSION

# H. R. 7806

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## IN THE HOUSE OF REPRESENTATIVES

AUGUST 1, 1955

Mr. PRICE (by request) introduced the following bill; which was referred to the Committee on Armed Services

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## A BILL

To provide health care for dependents of members of the Armed Forces of the United States, and for other purposes.

1       *Be it enacted by the Senate and House of Representa-*  
2       *tives of the United States of America in Congress assembled,*  
3       That this Act may be cited as the "Armed Forces De-  
4       pendents Health Care Act of 1955".

### DECLARATION OF PURPOSE

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6       SEC. 2. The Congress finds that in establishing and  
7       maintaining the morale of the Armed Forces, the avail-  
8       ability to their families of hospital and medical care of high  
9       quality is an important factor. Such care should be made  
10      available to all on as nearly equal terms as possible, and  
11      should not depend upon the accidental accessibility of either

1 military or civilian health facilities or personnel. To the  
2 extent consistent with this objective, military health facil-  
3 ities and personnel should be relieved of the burden of pro-  
4 viding care to dependents, in order to devote themselves  
5 to their primary function of providing health care to members  
6 of the Armed Forces and in order to reduce to the minimum  
7 the number of physicians and other health personnel required  
8 to serve in the Armed Forces and to free more of such  
9 personnel for civilian practice. The purpose of this Act  
10 is to provide a program of nonprofit health insurance for  
11 such dependents in this country and thus to assure them  
12 of care on the same basis on which it is generally available  
13 to members of the public; and to provide equivalent health  
14 protection to dependents outside the country.

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## DEFINITIONS

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SEC. 3. As used in this Act—

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(a) The term "member of the Armed Forces" means—

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(1) a person, appointed or enlisted in, or inducted,

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called, or conscripted into the Army, Navy, Air Force,

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Marine Corps, or the Coast Guard when operating as

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part of the Navy, or a member of a reserve component

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who has entered on extended active duty in excess of

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ninety days, but not including a person on duty for

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training purposes only; and

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(2) a member or former member of the Army,

1       Navy, Air Force, or Marine Corps, who is or has been  
2       awarded retired, retirement, or retainer pay or equiva-  
3       lent pay as a result of service in the Army, Navy, Air  
4       Force, or Marine Corps, other than a person entitled  
5       to receive retired or retirement pay pursuant to title III  
6       of the Army and Air Force Vitalization and Retirement  
7       Equalization Act of 1948.

8       (b) The term "dependent" (except as used in section  
9 10 (d)) means—

10           (1) in the case of any male member—

11               (A) his wife;

12               (B) his unmarried dependent children, adopted  
13       children, or stepchildren under twenty-one years of  
14       age, or such unmarried children, adopted children,  
15       or stepchildren over twenty-one years of age who  
16       are incapable of self-support because of being men-  
17       tally or physically incapacitated and who are in  
18       fact dependent on him for over half of their support;  
19       and

20               (C) his parents and parents-in-law if in fact  
21       dependent on him for over half of their support; and

22           (2) in the case of any female member—

23               (A) her husband, if in fact dependent on her  
24       for over half of his support;

25               (B) her unmarried children, adopted children,

1 or stepchildren under twenty-one years of age if they  
2 are in fact dependent on her for over half of their  
3 support, or such unmarried children, adopted chil-  
4 dren, or stepchildren over twenty-one years of age  
5 who are incapable of self-support because of being  
6 mentally or physically incapacitated and who are  
7 in fact dependent on her for over half of their  
8 support; and

9 (C) her parents and parents-in-law if in fact  
10 dependent on her for over half of their support; and

11 (3) in the case of a deceased male member who  
12 at the time of his death was a member of the Armed  
13 Forces (including a deceased member of the Coast  
14 Guard who at the time of his death was on active duty  
15 therein, if at that time the Coast Guard was operating  
16 as a part of the Navy) —

17 (A) his widow, if she has not remarried; and

18 (B) unless his widow has remarried, his un-  
19 married children, adopted children, or stepchildren  
20 under twenty-one years of age, if at the time of his  
21 death they were in fact dependent on him for over  
22 half of their support, or such unmarried children,  
23 adopted children, or stepchildren over twenty-one  
24 years of age who are incapable of self-support be-  
25 cause of being mentally or physically incapacitated

1           and who, at the time of his death, were in fact  
2           dependent on him for over half of their support.

3           (c) The term "nonprofit health insurance plan" means  
4   a plan under which a nonprofit corporation or organization  
5   (no part of the net earnings of which inures, or may law-  
6   fully inure, to any private shareholder or individual) under-  
7   takes, on a prepayment basis and by means of individual or  
8   group contracts, to furnish to individuals specified hospital  
9   and medical care, or to meet the full cost (or in the case  
10   of diagnostic service, a part of the cost) of furnishing them  
11   such specified care.

12          (d) The term "Secretary" means the Secretary of  
13   Defense.

14          (e) The term "Council" means the Council on Health  
15   Care for Armed Forces Dependents.

16          (f) The term "regulations" means regulations pre-  
17   scribed by the Secretary with the approval of the Council.

18          (g) The term "United States", when used in a geo-  
19   graphical sense, means the forty-eight States and the Dis-  
20   trict of Columbia, Alaska, Hawaii, Puerto Rico, and the  
21   Virgin Islands.

22                                   CARE TO BE MADE AVAILABLE

23          SEC. 4. (a) The Secretary shall make hospital and  
24   medical care available to dependents of members of the  
25   Armed Forces to the extent specified in subsection (b) of

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1 this section, but subject to the limitations specified in sub-  
2 section (c), and subject to regulations further defining such  
3 care and such limitations.

4 (b) The hospital and medical care to be made avail-  
5 able under subsection (a) shall be of the following kinds—

6 (1) surgical, obstetrical, and medical services fur-  
7 nished to inpatients in a hospital, and hospital services  
8 incident thereto, not to exceed ninety days for any  
9 continuous period of hospital confinement, and not to  
10 exceed ninety days in the aggregate for any periods of  
11 hospital confinement separated by less than ninety  
12 days;

13 (2) prenatal and postnatal care of mothers;

14 (3) benefits for diagnostic services furnished to  
15 ambulatory patients, to the extent and under the con-  
16 ditions specified in regulations; and

17 (4) immunization services.

18 (c) The hospital and medical care to be made avail-  
19 able under subsection (a) shall not include—

20 (1) care for nervous or mental disease or for  
21 tuberculosis after diagnosis thereof, or care in a nervous  
22 or mental disease or tuberculosis hospital;

23 (2) diagnostic services otherwise than as specified  
24 in subsection (b) (3), or as an incident to inpatient  
25 care in a hospital;

- 1           (3) cosmetic surgery;
- 2           (4) ambulance services; or
- 3           (5) dental care, except care as a necessary adjunct
- 4       to medical or surgical treatment.

5       (d) The hospital and medical care to be made avail-  
6   able under this section shall be made available without  
7   charge therefor, either to the member of the Armed Forces  
8   or to his dependent receiving such care, except that deduc-  
9   tions from subsistence allowances may be made on account  
10   of subsistence received under this Act, from any source, in  
11   connection with hospital and medical care.

12                   METHOD OF MAKING CARE AVAILABLE

13       SEC. 5. (a) Within the United States, the hospital and  
14   medical care specified in section 4 shall so far as possible  
15   be made available by means of contracts for the coverage  
16   of dependents of members of the Armed Forces under non-  
17   profit health insurance plans.

18       (b) No other method of providing any kind of hos-  
19   pital and medical care to be made available under section  
20   4, in any portion of the United States, shall be utilized  
21   unless the Secretary, with the approval of the Council, de-  
22   termines (and publishes in the Federal Register his deter-  
23   mination and the reasons therefor) that for such geo-  
24   graphical area and for such kind of care it is impracticable  
25   to negotiate a satisfactory contract, on reasonable terms,

1 for the coverage of all dependents of members of the Armed  
2 Forces under nonprofit voluntary health insurance plans.  
3 In making and approving such determinations, the Secre-  
4 tary and the Council shall take into account, not only the  
5 relative cost of the several methods of providing care, but  
6 also the need, without sacrifice of the quality of care, to  
7 minimize the demands upon the facilities and personnel of  
8 the Department of Defense for the care of dependents.

9 (c) If the Secretary has made a determination referred  
10 to in subsection (b), he is authorized, in making the hospital  
11 and medical care specified in section 4 available to depend-  
12 ents of members of the Armed Forces within the area to  
13 which such determination is applicable, (1) to enter into  
14 contracts with corporations or organizations operating non-  
15 profit health insurance plans, under which contracts such  
16 corporations or organizations undertake to make such care  
17 available and the Secretary undertakes to pay the cost of  
18 the care so provided and the reasonable administrative costs  
19 of such corporations or organizations; or (2) to enter into  
20 contracts with individuals and organizations (including Fed-  
21 eral, State, or local public agencies) qualified to provide such  
22 care; or (3) to provide such care through the facilities and  
23 personnel of the Department of Defense (A) if the Secretary  
24 is unable, on satisfactory and reasonable terms, to make  
25 such care (or a particular kind of care) available by the



1 means specified in clause (1) or clause (2) of this sub-  
2 section, or (B) in the cases specified in section 6 (b).

3 (d) The Secretary is authorized, in making the hospital  
4 and medical care specified in section 4 available to depend-  
5 ents of members of the Armed Forces outside the United  
6 States, (1) to provide such care through the facilities and  
7 personnel of the Department of Defense, or (2) to enter into  
8 contracts with individuals and organizations (including  
9 public agencies) qualified to provide such care.

10 (e) Whenever the Secretary is authorized under sub-  
11 section (c) or subsection (d) to provide hospital and  
12 medical care through the facilities and personnel of the  
13 Department of Defense, he may enter into an agreement  
14 with the head of any other department or agency of the  
15 Federal Government for the provision of such care through  
16 the facilities and personnel of such other department or  
17 agency.

18 (f) Each contract under subsection (a) shall provide  
19 with respect to each member of the Armed Forces who at  
20 the time of his preparation therefrom has one or more  
21 dependents, (1) that upon his separation from the Armed  
22 Forces, and without cost to him, (A) provisions for ma-  
23 ternity care (including hospital care of the new-born infant)  
24 shall continue with respect to a pregnancy which had begun

1 such separation; and (B) the other hospital and medical  
2 care provided by the contract shall continue until the  
3 end of the third calendar month after the month in which  
4 separation occurred, and during that period shall be ex-  
5 tended (except for service-connected illness or disability)  
6 to the former member of the Armed Forces; and (2)  
7 that after separation a former member of the Armed Forces  
8 working (or residing, if the plan so provides) in the area  
9 covered by the contract, shall be entitled, until the end  
10 of the third calendar month after the month in which he  
11 was separated from the Armed Forces, to become a sub-  
12 scriber to such health protection contract, covering himself  
13 and at least one dependent, as is generally available to  
14 persons accepted as nongroup subscribers in the area.

15 (g) Any contract made under this section may be made  
16 without regard to section 3709 of the Revised Statutes  
17 (41 U. S. C. 5), and may be made for such term, not  
18 exceeding five years, as may be agreed upon by the parties.

19 Any contract under subsection (a) shall provide for pay-  
20 ment of premiums in advance, and any contract under sub-  
21 section (c) (1) may provide for payments in advance.  
22 Any agreement with another department or agency under  
23 subsection (e) may provide for payments in advance or  
24 for the establishment of a working fund or funds.

25 (h) Any contract made under this section may be

1 terminated by the Secretary if, after notice and opportunity  
2 for hearing, he finds that there has been a substantial failure  
3 to carry it out in accordance with its terms. If a contract  
4 is so terminated the Secretary is authorized, for a period  
5 of not to exceed six months following such termination, to  
6 utilize for the provision of the hospital and medical care cov-  
7 ered by such contract any of the methods referred to in this  
8 section, without regard to the limitations of subsection (b)  
9 or subsection (c).

10 USE OF FACILITIES AND PERSONNEL OF UNITED STATES

11 SEC. 6. (a) No health services shall be provided under  
12 this Act to dependents of members of the Armed Forces  
13 through facilities or personnel of the Department of Defense  
14 except as such facilities or personnel are available without  
15 interference with their primary function of providing health  
16 services to members of the Armed Forces.

17 (b) Subject to the provisions of subsection (a), and  
18 regardless of whether hospital and medical care is provided  
19 them through nonprofit health insurance or otherwise, health  
20 services to dependents of members of the Armed Forces  
21 may be provided in the United States through facilities and  
22 personnel of the Department of Defense in the following cases  
23 and (except as provided in section 5 (c) (3) (A) and  
24 section 5 (h) ) only in such cases—

25 (1) in case of emergency; or

1           (2) upon a finding by the Secretary, with the ap-  
2       proval of the Council, that health services (or a partic-  
3       ular kind of health services) are not otherwise reason-  
4       ably available to such dependents, either because of  
5       remoteness of their place of residence from private health  
6       facilities and personnel, or because of congestion of civil-  
7       ian health facilities or inadequate number of civilian  
8       health personnel within the area in which they may  
9       reasonably be expected to obtain health services.

10       (c) Each contract for the coverage of dependents of  
11      members of the Armed Forces under a nonprofit health in-  
12      surance plan shall provide for credits to the United States  
13      for hospital and medical care, specified in section 4, provided  
14      to such dependents through facilities and personnel of the  
15      United States in accordance with subsection (b) of this sec-  
16      tion. Such credits shall be applied against payments due  
17      from the United States under such contracts. The amount  
18      of such credits shall be specified in the contract, and shall be  
19      comparable, as nearly as may be, to the payments to be made  
20      under the plan to civilian health facilities and personnel in  
21      the area for like hospital and medical care.

22       (d) Subject to the provisions of subsection (a), the  
23      Secretary is authorized outside the United States, and within  
24      the United States in the cases specified in subsection (b), to  
25      provide dependents of members of the Armed Forces health

1 services other than those specified in section 4; and in any  
2 case in which he is authorized to provide hospitalization for  
3 such dependents in facilities of the United States, he is  
4 authorized to provide accommodations superior to the accom-  
5 modations provided at Government expense under section 4.  
6 A charge shall be made to a member of the Armed Forces  
7 for any such additional health services or any such superior  
8 accommodations provided to his dependents. The amount  
9 of such charges shall be fixed by regulations, and shall be  
10 comparable, as nearly as may be, to the charges made by  
11 civilian health facilities and personnel in the area for like  
12 services or accommodations. Any moneys received by any  
13 department or agency of the United States under this sub-  
14 section shall be deposited to the credit of the appropriation  
15 from which was paid the cost of providing the care, services,  
16 or accommodations.

17 COUNCIL ON HEALTH CARE FOR ARMED FORCES

18 DEPENDENTS; ADMINISTRATION

19 SEC. 7. (a) In administering this Act, the Secretary  
20 shall consult with a Council on Health Care for Armed  
21 Forces Dependents, consisting of the Assistant Secretary  
22 of Defense (Health and Medical), who shall act as Chair-  
23 man ex officio, and eight members appointed by the Secre-  
24 tary. The appointed members shall include persons ex-  
25 perience in the provision of hospital and medical care to

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1 women and children and persons experienced in the admin-  
2 istration of health insurance plans; not less than two of them  
3 shall be doctors of medicine, and not less than two shall  
4 be persons experienced in hospital administration. Each  
5 appointed member shall hold office for a term of four years,  
6 except that any member appointed to fill a vacancy occurring  
7 prior to the expiration of the term for which his predecessor  
8 was appointed shall be appointed for the remainder of such  
9 term, and the terms of office of the members first taking  
10 office shall expire, as designated by the Secretary at the  
11 time of appointment, two at the end of the first year, two  
12 at the end of the second year, two at the end of the third  
13 year, and two at the end of the fourth year after the date  
14 of appointment. The Council is authorized to appoint such  
15 special advisory and technical committees as may be useful  
16 in carrying out its functions. Appointed Council members  
17 and members of advisory or technical committees, while  
18 serving on business of the Council, shall receive compensa-  
19 tion at rates fixed by the Secretary, but not exceeding \$50  
20 per day, and shall also be entitled to receive an allowance  
21 for actual and necessary travel and subsistence expenses  
22 while so serving away from their places of residence. The  
23 Council shall meet as frequently as the chairman deems nec-  
24 essary, but not less frequently than once a month. Upon

1 request by three or more members it shall be the duty of the  
2 chairman to call a meeting of the Council.

3 (b) The Secretary is authorized to make such regula-  
4 tions and perform such other functions as he finds necessary  
5 to carry out the provisions of this Act. Any such regulations  
6 shall be subject to the approval of the Council.

7 (c) The Secretary is authorized to delegate any of his  
8 functions under this Act to any officer or employee of the  
9 Department of Defense, the Department of the Army, the  
10 Department of the Navy, or the Department of the Air  
11 Force; except that he may not delegate the making of regula-  
12 tions, and that any other action which requires the approval  
13 of the Council he may delegate only to the Under Secretary  
14 of Defense or to the Assistant Secretary of Defense (Health  
15 and Medical).

16 STUDIES AND RECOMMENDATIONS

17 SEC. 8. It shall be the duty of the Secretary and of the  
18 Council to study the operation of this Act with respect to its  
19 effectiveness in fulfilling the purposes stated in section 2, and  
20 with respect to the practicability of broadening the scope  
21 of health services to be provided under it by means of non-  
22 profit health insurance plans. The Secretary shall from time  
23 to time transmit to the Congress his recommendations for  
24 amendment of this Act, and with each such recommendation  
25 shall transmit a statement of the views of the Council with

1 respect thereto. Whenever he finds that it is practicable to  
2 provide by means of nonprofit health insurance plans,  
3 throughout or substantially throughout the United States,  
4 additional health services needed by dependents of members  
5 of the Armed Forces, he shall transmit to the Congress his  
6 recommendation with respect thereto, his estimate of the cost  
7 of providing such additional services, and a statement of the  
8 views of the Council with respect to his recommendation.

9                   APPROPRIATIONS AUTHORIZED

10       SEC. 9. There are hereby authorized to be appropriated  
11 such sums as may be necessary to carry out this Act.

12                   REPEAL AND AMENDMENT OF OTHER ACTS

13       SEC. 10. (a) So much of the Act of July 5, 1884 (ch.  
14 217, 23 Stat. 107, 10 U. S. C. 96), as is contained in the  
15 proviso under the heading "Medical Department" is hereby  
16 repealed.

17       (b) The Act of May 10, 1943 (ch. 95, 57 Stat. 80,  
18 24 U. S. C. 32-36), is hereby repealed, except section 4  
19 thereof, and except sections 2 and 5 as applied to section 4  
20 thereof.

21       (c) The second sentence of section 326 (b) of the  
22 Public Health Service Act (42 U. S. C. 253) is amended  
23 by inserting a period after the word "President" and by  
24 striking out the remainder of such sentence.



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1       (d) Except as provided in this Act, no health service  
2 shall be provided by the United States or any of its de-  
3 partments or agencies to any person by reason of his being  
4 a dependent of a member of the Armed Forces.

5                               EFFECTIVE DATE

6       SEC. 11. This Act shall become effective on the first  
7 day of the           month following the month in which it is  
8 enacted.

84TH CONGRESS  
1ST SESSION

## H. R. 7806

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### A BILL

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By Mr. PRICE

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AUGUST 1, 1955

Referred to the Committee on Armed Services